

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1262-02
Bill No.: HB 438
Subject: Department of Natural Resources; Environmental Protection
Type: Original
Date: February 21, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Missouri Air Pollution Control*	(\$907)	(\$1,088)	(\$1,088)
Missouri Air Emissions Recovery	(\$38,438)	(\$46,125)	(\$46,125)
Total Estimated Net Effect on <u>All</u> State Funds*	(\$39,345)	(\$47,213)	(\$47,213)

* Does not include unknown loss of revenue due to exempting "limited production vehicles" in Franklin County.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri State Highway Patrol** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Revenue** assume the proposed legislation would have minimal administrative impact on their agency.

Officials from the **Department of Transportation** assume the proposed legislation would have no fiscal impact on state funds. Officials noted that a greater concern is if Missouri is not compliant with the federal Clean Air Act, Missouri will lose federal highway dollars. However, until a federal ruling is made, the department cannot determine if Missouri will be compliant and, if not, what amount will be sanctioned against Missouri.

Officials from the **Department of Natural Resources** noted that the state receives \$2.50 for each vehicle emissions test in the non-attainment area, with the exception of Franklin County, in which the state receives only \$0.75 per vehicle. In FY 2002 approximately 664,500 vehicles will be emissions tested in all counties. Of those, 3% or 19,900 are model years 1971-1980.

Franklin County accounts for 7.3% of these model year vehicles and the remainder are located in the remaining counties of the non-attainment area. Approximately 18,450 of these vehicle tests results in revenues of \$2.50/vehicle to the state or \$46,125. Approximately 1450 of the vehicle tests are in Franklin County, generating revenue to the state of \$0.75/vehicle or \$1,088. The total loss of revenue to the state would be approximately \$47,213 annually.

The revenue loss from exempting "limited production vehicles" in Franklin County cannot be determined because there is no data that defines these vehicles or the number located in Franklin County.

If this bill becomes law, the department's State Implementation Plan for the reduction of VOC emissions in ozone non-attainment areas (St. Louis) would likely be impacted. Those reductions would have to be made up with new strategies. This would require the state to seek additional air pollutant reductions from businesses already regulated or the state may be required to regulate smaller businesses in the non-attainment area.

Oversight assume that the effective date of this proposal is August 28, 2001. Therefore, Oversight prorated DNR's loss of revenue at ten months in FY 02.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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**MISSOURI AIR POLLUTION
CONTROL FUND***

<u>Loss - Department of Natural Resources</u> Due to emissions testing exemptions	<u>(\$907)</u>	<u>(\$1,088)</u>	<u>(\$1,088)</u>
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**MISSOURI AIR EMISSIONS
RECOVERY FUND**

<u>Loss - Department of Natural Resources</u> Due to emissions testing exemptions	<u>(\$38,438)</u>	<u>(\$46,125)</u>	<u>(\$46,125)</u>
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*** Does not include unknown loss of revenue due to exempting "limited production vehicles" in Franklin County.**

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Currently, vehicle model years older than 1971 are exempt from emissions testing requirements in the St. Louis non-attainment area. This bill exempts vehicle model years older than 1981 from all emissions testing requirements and exempts all limited production vehicles from the BAR-97 testing requirement for Franklin County.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

AK:LR:OD (12/00)

Department of Natural Resources
Department of Revenue
Department of Transportation
Missouri State Highway Patrol

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director

February 21, 2001